GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4975
ANSWERED ON:25.08.2000
PAYMENT OF HOUSING LOANS
RAMESH CHAND TOMAR;SHYAMA SINGH

Will the Minister of FINANCE be pleased to state:

(a) Whether the Union Government propose to increase the tenure ofpayment of housing loans to 25 years from the present 12 to 15 years;

(b) if so, the details in this regard;

(c) whether the rate of interest charged by the Government on housing loans would also be reduced to boost housing activities; and

(d) if so, the details in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) to (d): Housing Finance is channeled to individuals through 29 Housing FinanceInstitutions (HFIs) regulated by National Housing Bank (NHB).The various HFIsare free to decide their own lending rates and other terms of financing of such loans keeping in view their cost of borrowings, demand for funds and other market related factors and do not need Government`s permission to enhance or reduce these rates.